

# Overdraft Solutions for Consumers

## What Is An Overdraft?

An overdraft can occur when you try to spend more money than the available balance in your personal checking account. Typical transactions include writing checks, debit card transactions, ATM withdrawals, or the electronic payments you make or authorize from your account.

## Overdraft Fees

We will charge you an overdraft fee each time we pay a transaction that overdraws your account.

## Overdraft Solutions<sup>1</sup>

No one plans to overdraw their account. It's embarrassing when transactions are declined or returned unpaid. In addition, merchants will often charge fees for returned checks.

To help you, American Savings Bank offers solutions to avoid an overdraft in the unlikely event that you do not have enough money in your account. Please review the chart printed on the next page of this brochure for more information about the options available to you.

## Tips To Help You Avoid Overdrafts

- ✓ Watch your balance. Accurately track the money you deposit into and withdraw from your account. You can do this using a paper register or electronically through Online Banking. Remember to track your ATM deposits, withdrawals and transfers, your debit card purchases, bills that get deducted electronically from your account, and the checks that you write. You may want to consider keeping a "cushion" of funds in your account to help prevent unintended overdrafts.
  - ✓ Apply for overdraft protection that could automatically help protect your account from being overdrawn.
  - ✓ Enroll in Online Banking and use it to access and monitor your balance and account activity as well as sign-up for Alerts to warn you when the account balance falls below a dollar amount you choose.
  - ✓ Understand that some transactions do not get deducted from your account immediately and may not be reflected in your account balance.
- For example, a check may not be cashed immediately, a merchant may not settle a point-of-sale transaction, etc.
- ✓ Please note that merchants may request an authorization that may be more or less than your actual transaction (for example, at a gas station, after you swipe your debit card, authorization for that transaction is obtained prior to knowing the total cost of your purchase. The gas station owner in this case is obtaining a "pre-authorization", in which case more funds than what you spent on the gas may be placed on hold, reducing your overall available funds). Keeping a "cushion" of funds in your account could prevent overdrafts related to these types of transactions.
  - ✓ Verify that automatic deposits you're expecting have been credited to your account.
  - ✓ Review and reconcile your checking account statement every month.



OVERDRAFT SOLUTIONS <sup>1</sup>	OVERDRAFT COURTESY	DEBIT CARD COVERAGE	SAVINGS OVERDRAFT TRANSFER <sup>3</sup>	PREFERRED CREDITLINE <sup>SM</sup> OVERDRAFT PROTECTION <sup>2,3</sup>
<p><b>Description</b></p>	<p>As a courtesy, at our discretion, we may pay checks and other transactions that overdraw your account. However, ATM and one-time debit card transactions will be declined at the time of the transaction if you do not have enough money in your checking account.</p>	<p>At our discretion, we may pay all types of transactions that overdraw your personal checking account, including ATM and one-time debit card transactions. Your selection of this option does not mean we guarantee that all of your transactions will be paid when you do not have enough money in your account.</p>	<p>Your American Savings Bank personal savings account may be linked to your personal checking account to help protect your checking account from overdrafts.</p>	<p>A line of credit linked to your American Savings Bank personal checking account to help protect your checking account from overdrafts or to use as emergency funds when needed.</p>
<p><b>Features</b></p>	<ul style="list-style-type: none"> <li>If you write a check or if there is a transaction that overdraws your account, Overdraft Courtesy may help prevent that transaction from being declined or returned unpaid (does not apply to ATM and one-time debit card transactions)</li> </ul>	<ul style="list-style-type: none"> <li>If an ATM or debit card transaction causes your personal checking account to become overdrawn, Debit Card Coverage may help prevent that transaction from being declined</li> </ul>	<ul style="list-style-type: none"> <li>Available funds from your savings account are automatically transferred to your checking account to cover an overdraft</li> </ul>	<ul style="list-style-type: none"> <li>Available funds from your Preferred CreditLine are automatically transferred to your checking account to cover the overdraft</li> <li>Credit lines from \$500 to \$15,000<sup>2</sup></li> </ul>
<p><b>Fees</b> (Please refer to the agreement and disclosures governing your account for the current list of fees)</p>	<ul style="list-style-type: none"> <li>There is no charge to you unless you spend more money than what is available in your account</li> <li>If a check or debit transaction is presented to us but you don't have enough available balance in your checking account to cover it, you will be assessed a \$30 overdraft fee if we decide to pay it<sup>4</sup></li> </ul>	<ul style="list-style-type: none"> <li>If an ATM or one-time debit card transaction is presented but you don't have enough available balance in your account to cover it, you will be assessed a \$30 overdraft fee if we decide to pay it<sup>4</sup></li> <li>ASB cannot charge you overdraft fees on ATM and one-time debit card transactions unless you have agreed (opted-in) to these fees</li> </ul>	<ul style="list-style-type: none"> <li>A \$10 per day transfer fee will be assessed each day that a transfer is made from your savings account to cover overdrafts</li> <li>The \$30 overdraft fee will not be applied if funds from your savings account are used to cover the overdraft</li> <li>The transfer fee is \$5 for Kalo Plus Checking account customers. The fee is waived in its entirety for Kalo Deluxe Checking account customers</li> </ul>	<ul style="list-style-type: none"> <li>\$25 annual fee</li> <li>No overdraft fee if funds from Preferred CreditLine are used to cover the overdraft but interest will be charged starting when the line of credit is used</li> <li>If you have a Kalo Plus<sup>SM</sup> or Kalo Deluxe<sup>SM</sup> Checking account, you are eligible for an interest rate discount and an annual fee waiver on your Preferred CreditLine</li> <li>No payment or interest until the line is used</li> </ul>
<p><b>To Use This Service</b></p>	<p>This option automatically applies to your checking account</p>	<p>You may revoke this consent at any time.</p> <p>To select this option (or to change your preference):</p> <ul style="list-style-type: none"> <li>Log in to your Online Banking account, go to "Menu", "Services" and then click or tap on "Overdraft Solutions" to make your selection from the drop-down menu,</li> <li>Visit a branch near you, or</li> <li>Call us at (808) 627-6900 or toll-free (800) 272-2566</li> </ul>	<p>To sign up:</p> <ul style="list-style-type: none"> <li>Call (808) 627-6900 or toll-free (800) 272-2566, or</li> <li>Visit a branch near you</li> </ul>	<p>To apply (all owners of the checking account must apply):</p> <ul style="list-style-type: none"> <li>Online at <a href="http://asbhawaii.com/personal/loans/overdraft-protection">asbhawaii.com/personal/loans/overdraft-protection</a> or</li> <li>Visit a branch near you</li> </ul>

<sup>1</sup> Subject to applicable laws, we may add or change products, features, terms and conditions from time to time.

<sup>2</sup> Subject to application, credit qualification, underwriting and credit policy of American Savings Bank.

<sup>3</sup> You can only have one (1) service for Overdraft Protection, either Preferred CreditLine (if approved) or Savings Overdraft Transfer, but not both.

<sup>4</sup> There is a daily limit of four (4) overdraft item fees that we will charge you.

## Questions & Answers

**Q: What is a one-time debit card transaction?**

**A:** This is a one-time purchase you make using your debit card at a merchant, by telephone or online. In most cases, you will need to tap, enter your Personal Identification Number (PIN) or sign a sales receipt to authorize the transaction.

**Q: What is a recurring debit transaction?**

**A:** Unlike a one-time debit card transaction, a recurring debit transaction is a payment you set up to happen periodically using your account to pay for your bills (water, telephone, electricity, parking, etc).

**Q: If I select Debit Card Coverage, will transactions that cause my account to be overdrawn always be paid?**

**A:** No. With our Debit Card Coverage, transactions are paid at the bank's discretion. Therefore, we may not always allow the transaction to be paid if you do not have enough money in your account. Also, it is not possible to determine in advance which individual transactions may be paid or not paid.

**Q: Will Overdraft Courtesy eliminate all overdraft item charges?**

**A:** No. Although Overdraft Courtesy does not cover ATM and one-time debit card transactions, you may still incur overdraft fees for checks, automatic bill payments and other transactions that are processed when you do not have enough money in your account.

**Q: If I enroll in Debit Card Coverage, does that mean I have protection from overdrafts?**

**A:** No. Debit Card Coverage is different from Overdraft Courtesy, Savings Overdraft Transfer and Preferred CreditLine Overdraft Protection. When you select Debit Card Coverage for ATM and one-time debit card transactions, at our discretion, we may authorize and pay transactions that overdraw your account. However, this also means that some or all of these transactions may not be authorized or paid. With a Preferred CreditLine or Savings Overdraft Transfer, funds from the available balance in your line of credit or savings account are transferred to your checking account and used to pay the transactions that overdraw your account.

**Q: If I already have a Preferred CreditLine or Savings Overdraft Transfer, can I also select Debit Card Coverage?**

**A:** Yes. You may have one of the overdraft protection services and Debit Card Coverage. The benefit of having both is that we may be able to pay a transaction using our Debit Card Coverage if your overdraft protection is not able to cover your ATM and one-time debit card transactions.